

Sustainability and Tax The Development Bank's perspective (impact investor's perspective)

When is the reported tax sustainable?

1. **Short introduction to financing activities of development Banks in general**
2. **Creating impact from Development Finance perspective = creating economic growth, taking into consideration the Sustainability agenda. Economic growth should or could create additional government resources through taxation**
3. **From responsible tax to anti tax avoidance watch dog?
(What role can DFI's / impact investors play?)**
4. **What are DFI's / Investors' challenges? What can DFI's rely on?**
5. **Other Challenges**

As a development bank, we have the explicit responsibility to make investments that commercial parties perceive as too risky. That can be because the country in question lacks financial infrastructure or is perceived as too 'fragile' by private investors, because it concerns bold but unproven innovations, or because it requires a maturity period longer than what most investors dare to take on.

Loans & Syndications



We offer direct medium and long-term loans at both fixed and variable interest rates and with a repayment grace period where needed.

We arrange syndicated loans to raise larger financing amounts for our clients in an efficient way.

→ [BMR and IBOR reform](#)

Private Equity



We invest equity directly or indirectly (through funds) or we co-invest with partners.

As an investment partner, we provide stable, long-term capital. We work with fund managers and investee companies to integrate sustainability in their core operations - building a successful business for the long term.

→ [Investment Code PE Funds](#)

Guarantees



We structure our guarantees so that they meet the specific needs of the borrower, the market and the targeted creditors.

Capacity Development



To strengthen your organization, we can facilitate the transfer of knowledge and skills with our capacity development programme.

→ [Capacity Development](#)

We offer ESG toolkits for private equity investment funds and for microfinance institutions and small and medium enterprise (SME) banks.

Our impact | Key markets for development

...and we create impact by focusing on markets that are key to economic, environmental and social progress

AGRIBUSINESS, FOOD & WATER



Inputs
Agri-inputs, services & water



Primary production
Farming/Growers



Primary processing
Mills, Aggregators



Trading
Wholesale trader



Food Manufacturer

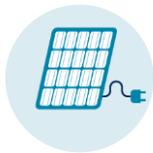


Warehousing
Logistics & Distribution

ENERGY



Wind



Solar



Hydro
(run-of-the-river)



Off-grid solutions



Geothermal



Transmission & distribution

FINANCIAL INSTITUTIONS



(universal/ SME) banks



Microfinance



FinTech



Non-bank financial institutions

DUTCH BUSINESS



Project & partnership development



Export & investment solutions



Demand-driven approach



Broad sector mandate, including health, water, agribusiness

1. Responsible tax principles

a) Transparency (TP and CBCr)

b) BEPS, ATAD, DAC 6

c) Offshore

d) Responsible tax policies

2. Tax integrity as part of enhanced KYC procedures for Banks

1. Are we as DFI's effective?
2. We do create more awareness
3. Investors appreciate when investees are more transparent – we stimulate transparency - does it really contribute
4. What should companies report on tax and when is it sustainable?
5. To what extent can DFI's rely on anti avoidance laws / exchange of information
6. What information do Financial Statements give?

What can DFI's rely on?

CBCr? Governments should be more informative

Exchange of information ?

Definition of sustainable taxation ? What about other taxes?

Sector specific guidelines

1. There is a lot of capital available
2. Relevant businesses remain below the CBCr radar
 3. Investment incentives
 4. Risk return balance
5. Capacity and focus of tax authorities in developing countries
 6. Reliability of authorities

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